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10/781,804

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Neil Holger Eklund

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GENERAL ELECTRIC COMPANY
GLOBAL RESEARCH
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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 10/781,804
Filing Date: February 20, 2004
Appellant(s): EKLUND ET AL.

Peter Rashid,
Reg. No. 39,464
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 10 March 2010 appealing from the Office action mailed 21 October 2009.

(1) Real Party in Interest

The real party of interest is General Electric Company by way of an Assignment recorded at Reel/Frame 015679/0182 on August 12, 2004.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct. However, Examiner notes that:

B. Responsive to a final Office action dated December 1, 2008, Appellant filed a Request for Reconsideration on December 23, 2008.

should have been written:

B. Responsive to a final Office action dated December 1, 2008, Appellant filed a Request for Reconsideration on January 30, 2009.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

The following additional New Grounds are added:

1. Claims 1, 2, 6, 7, 11 –13, 16 – 20, 22 - 24 are rejected under 35 U.S.C. 101 because they are directed to non-statutory subject matter.
2. **Claims 1, 2, 6, 7, 11-13 and 16-18**, method claims, are rejected under 35 U.S.C. §101 because, in order to comply with §101 a process/ method must (1) be tied to a particular machine or apparatus, or (2) transform underlying subject matter (such as an article or materials) to a different state or thing.

The methods recited in the claims fail to (1) be tied to a particular machine or apparatus, or (2) transform underlying subject matter to a different state or thing. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972).

There are two corollaries to the machine-or-transformation test. First, a mere field-of-use limitation is generally insufficient to render an otherwise ineligible method claim patent eligible. This means the machine or transformation must impose meaningful limits on the method claim's scope to pass the test. Second, insignificant extra-solution activity will not transform an unpatentable principle into a patentable process. This means reciting a specific machine or a particular transformation of a specific article in an insignificant step, such a data gathering or outputting, is not sufficient to pass the test.

There is no recitation within the claims to indicate that the steps that comprise the method are nothing but mental steps performed within the mind of a person. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being

transformed, for example by identifying the material that is being changed to a different state.

3. **Claims 19, 20, and 22 - 24**, apparatus claims, are rejected under 35 U.S.C. §101 because the disclosed invention is inoperative and therefore lacks utility. It appears that the claims describe a data structure (i.e. software) and not hardware.

Data structures not claimed as embodied in computer-readable media are descriptive material *per se* and are not statutory because they are not capable of causing functional change in the computer. See, e.g., *Warmerdam*, 33 F.3d at 1361, 31 USPQ2d at 1760 (claim to a data structure *per se* held nonstatutory). Such claimed data structures do not define any structural and functional interrelationships between the data structure and other claimed aspects of the invention which permit the data structure's functionality to be realized. In contrast, a claimed computer-readable medium encoded with a data structure defines structural and functional interrelationships between the data structure and the computer software and hardware components which permit the data structure's functionality to be realized, and is thus statutory. (MPEP 2106.01 Computer-Related Nonstatutory Subject Matter).

In order to comply with 35 U.S.C. § 101, the claims must clearly indicated hardware or software tied to hardware.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

| | | |
|-----------|-----------------|---------------|
| 7,155,423 | Josephson et al | Dec. 26, 2006 |
| 7,206,760 | Carey et al | Apr. 17, 2007 |

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

The following additional NEW GROUNDS of rejection are applicable to the appealed claims:

(1) Claims 1, 2, 6, 7, 11 –13, 16 – 20, 22 - 24 are rejected under 35 U.S.C. 101 because they are directed to non-statutory subject matter.

Claims 1, 2, 6, 7, 11-13 and 16-18, method claims, are rejected under 35 U.S.C. §101 because, in order to comply with §101 a process/ method must (1) be tied to a particular machine or apparatus, or (2) transform underlying subject matter (such as an article or materials) to a different state or thing.

The methods recited in the claims fail to (1) be tied to a particular machine or apparatus, or (2) transform underlying subject matter to a different state or thing. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972).

There are two corollaries to the machine-or-transformation test. First, a mere field-of-use limitation is generally insufficient to render an otherwise ineligible method claim patent eligible. This means the machine or transformation must impose meaningful limits on the method claim's scope to pass the test. Second, insignificant extra-solution activity will not transform an unpatentable principle into a patentable process. This means reciting a specific machine or a particular transformation of a specific article in an insignificant step, such a data gathering or outputting, is not sufficient to pass the test.

There is no recitation within the claims to indicate that the steps that comprise the method are nothing but mental steps performed within the mind of a person. Thus, to

Art Unit: 3695

qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Claims 19, 20, and 22 - 24, apparatus claims, are rejected under 35 U.S.C. §101 because the disclosed invention is inoperative and therefore lacks utility. It appears that the claims describe a data structure (i.e. software) and not hardware.

Data structures not claimed as embodied in computer-readable media are descriptive material *per se* and are not statutory because they are not capable of causing functional change in the computer. See, e.g., *Warmerdam*, 33 F.3d at 1361, 31 USPQ2d at 1760 (claim to a data structure *per se* held nonstatutory). Such claimed data structures do not define any structural and functional interrelationships between the data structure and other claimed aspects of the invention which permit the data structure's functionality to be realized. In contrast, a claimed computer-readable medium encoded with a data structure defines structural and functional interrelationships between the data structure and the computer software and hardware components which permit the data structure's functionality to be realized, and is thus statutory. (MPEP 2106.01 Computer-Related Nonstatutory Subject Matter).

In order to comply with 35 U.S.C. § 101, the claims must clearly indicated hardware or software tied to hardware.

The following existing grounds of rejection are applicable to the appealed claims:

(2) Claims 1, 2, 6, 7, 11 –13, 16 – 20, 22 - 24 rejected under 35 U.S.C. 103(a) as being unpatentable over **Josephson et al** (US Patent No. 7155423) in view of **Carey et al** (US Patent No. 7,206,760).

Regarding **claims 1 and 19**, **Josephson** teaches:

- a) generating a first set of solutions (of portfolio allocations) in a portfolio configuration space using a computing device, the portfolio configuration space having a plurality of dimensions;
- (b) generating a second set of solutions (in a portfolio performance space), the (portfolio performance) space having at least three dimensions; each solution in the first set of solutions matching with a corresponding solution in the second set of solutions;

Josephson uses a strategy of **dominance filtering** as applied to hybrid electric vehicle design (HEV), a domain of architecture of his invention [column 4 lines 51-67]. Design candidates are screened using four criteria [column 1 lines 54-60]. In particular, he uses trade-offs between city and highway efficiencies in miles per gallon [column 5 lines 18-33], and acceleration capacity [column 5 lines 34-48]. Examiner interprets these categories (efficiencies and acceleration capacity) as analogous to Applicant's **set of solutions**.

Josephson discloses a user discarding candidates which have worse performance than say acceleration of vehicle to 60 MPH in more than 12 seconds [see at least column 5 line 49 - column 6 line 9, and column 6 line 47- 53]. Examiner interprets this selection of "candidates for discarding" as analogous to Applicant's **removing the dominated solutions**.

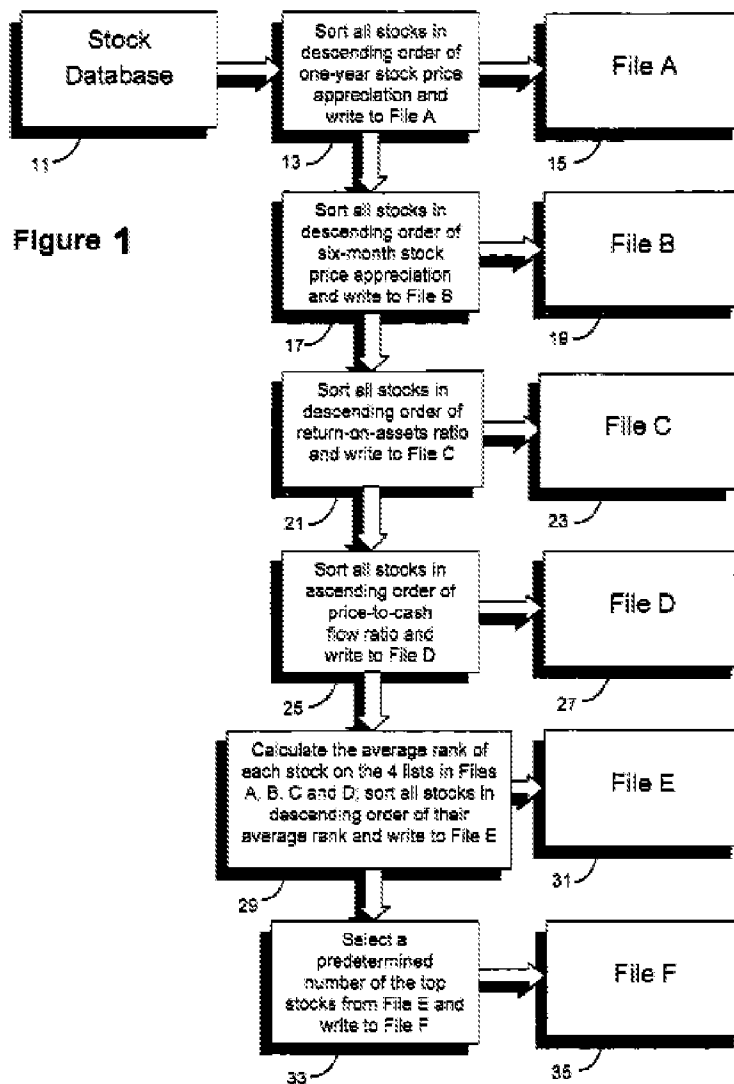
Josephson does not explicitly apply his strategy of **dominance filtering** to portfolio allocations (of financial instruments). He also does not explicitly disclose:

- c) selecting a first dimension from the at least three dimensions of the portfolio performance space;
- d) generating bins for all remaining non-selected dimensions of the portfolio performance space
- e) determining a solution in each bin of the non-selected dimensions with maximum value along the selected dimension;
- (f) comparing the solution with the maximum value in each bin to other solutions in each bin to determine whether other solutions are dominant solutions or dominated solutions; and
- g) removing the dominated solutions from the portfolio performance space so as to result in a reduced set of solutions, the reduced set of solutions being used in investment decisions.

However, **Carey** teaches a strategy of defining an universe of securities for potential investment [column 1 lines 54-60] and uses statistical analysis to evaluate the price history of each [column 2 lines 4-18]. Stocks are sorted and stored according to magnitude of a stocks *one-year price appreciation* [column 2 line 55-63], magnitude of the company's *return-on-assets* [column 3 lines 17- 30], and *price-to-cashflow ratio* [column 3 lines 30-44]. He further discloses sorting all stocks in descending order of *one-year price appreciation* and writing to File A, descending order of *six-month price appreciation* and writing to File B, descending order of *return-on-assets ratio* and writing to File C, and **ascending** order of *price-to-cash flow ratio* and writing to File D [Figure 1]. Examiner interprets these *Files A, B, C, and D* as analogous to Applicant's **bins of the portfolio performance space** whereas the parameters *one-year price appreciation*, *six-month price appreciation*, *return-on-assets ratio*, and *price-to-cash flow ratio* as

Art Unit: 3695

analogous to Applicant's **dimensions** with a maximum value. Examiner notes that *maximum values* - extreme values - are inherent when sorting stocks in ascending or descending orders of magnitude.



Carey then sorts and organizes stocks according to the magnitude of each company's average ranking in each of these categories. He discloses:

After File D has been completed, the step indicated by diagram block 29 is performed in which the stocks are sorted, or organized, according to the magnitude of the company's average rank on the four lists in Files A, B, C, and D. (For example, a stock that happened to be ranked first in Files A and B, i.e., happened to have the greatest one-year and six-month PAVs, and was ranked second in Files C and D, i.e., had the second highest return-on-assets ratio and the second lowest price-to-cashflow ratio, would have an average rank of $(1+1+2+2)/4$ or 1.5.) The sorting may be done by organizing the stocks in descending order of their average rank. (A stock with an average rank of 1.5 would be listed ahead of a stock with an average rank of 2.0, etc.) The sorted stock names are written to File E, as shown in diagram block 31 [column 3 lines 45-59].

Examiner notes that *sorted stocks which are written to File E* as analogous to Applicant's **set of solutions**. Examiner notes that herein **Carey** discloses *comparing ranks of stocks among files A, B, C, and D* as analogous to Applicant's limitation:

- (f) comparing the solution with the maximum value in each bin to other solutions in each bin to determine whether other solutions are dominant solutions or dominated solutions.

Carey further discloses in claim 1:

A computer-implemented method for selecting securities from a group of available securities for an investment portfolio, comprising:

- said computer performing the steps of calculating price appreciation for each of said available securities;
- calculating a return on assets ratio for each of said available securities;
- calculating a price to cashflow ratio for each of said available securities;
- ranking at least some of the available securities to form a group of ranked securities, said ranking comprising ranking according to said price appreciation to assign each of said available securities one or more separate price appreciation ranks, ranking according to said return on assets ratio to assign each of said

available securities a separate return on assets ratio rank, ranking according to said price to cashflow ratio to assign each of said available securities a separate price to cashflow rank, and determining for each of said available securities an average rank comprising the average of the one or more separate price appreciation ranks, separate return on assets ratio rank and separate price to cashflow ratio rank for said security; and

- selecting at least some of the ranked securities to form a group of selected securities; wherein at least one of the steps of calculating, ranking, and selecting is carried out by a computer.

Examiner notes that the limitation of “selecting at least some of the ranked securities to form a group of selected securities” as claimed by **Carey** is analogous to Applicant’s **removing the dominated solutions from the portfolio performance space so as to result in a reduced set of solutions.**

Therefore, it would have been obvious to one having ordinary skill in the art at the time of instant invention to use **Josephson’s** invention along with *generating a portfolio of top performing stocks* as taught by **Carey** because such portfolios may give investors comfort in knowing what they own [**Carey** column 4 lines 24-25], may allow diversification across many securities [**Carey** column 4 lines 27-30], and provide investors low expenses [**Carey** column 4 lines 31-34].

Regarding **claim 2 and 12**, **Josephson** teaches:

- the step of repeating steps (c) - (g) for at least a second dimension of the portfolio performance space after the dominated solutions are removed from the portfolio performance space [see at least column 5 line 61 – column 6 line 9, and claim 11].

Regarding **claims 6 and 22**, **Josephson** teaches:

- the plurality of dimensions is n dimensions, and the bins are in the form of $n-1$ dimensional polyhedra in the portfolio performance space.

Josephson teaches finding more trade-offs using secondary criteria [see at least column 6 lines 58 -67, column 23 lines 35 – 46, and Figures 14 and 15]. Examiner interprets secondary criteria as analogous to Applicant's n dimensions and polyhedra as space represented in Figure 14 and 15.

Claims 7 and 23 are not further limiting to the claims upon which they depend.

Regarding **claim 11**, **Carey** teaches:

- the investment decisions are based on competing objectives that include risk and return.

Carey discloses that Portfolios are designed to fill a variety of investment needs and risk tolerance levels [column 1 lines 24-25]. Examiner interprets *needs and risk tolerance* as inclusive of Applicant's risk and return.

Thus, this claim is rejected for the same reason as claim 1, the claim upon which it depends.

Regarding **claim 13**, **Josephson** teaches:

- a coarseness of the bins is decreased as remaining dimensions of the portfolio performance space are selected.

Josephson discloses using dominance filtering to dominate candidates resulting with Pareto optimal candidates [column 4 lines 30-45]. Examiner interprets *Pareto optimal* as indicative of Applicant's **decreasing coarseness of bins**.

Regarding **claim 16**, **Josephson** teaches:

- the step of performing the final dominance check on the reduced set of solutions includes generating an efficient frontier.

Josephson discloses filtering using a threshold [see at least column 4 lines 45-50, and column 22 lines 31-61]. Examiner interprets **Josephson's threshold** as analogous to Applicant's **efficient frontier**.

Regarding **claim 17**, **Josephson** teaches:

- step of generating the first set of solutions of portfolio allocations includes using an evolutionary algorithm.

Josephson discloses using *domain-specific techniques and algorithms* [see at least column 4 lines 22-29, and **Josephson's** claim 16]. Examiner interprets these algorithms to include Applicant's **evolutionary algorithm**.

Regarding **claim 18**, **Josephson** teaches:

- the step of comparing the solution with the maximum value in each bin to other solutions in each bin includes using Pareto dominance that includes uncertainties in measuring competing objectives [see at least column 1 line 55 – column 2 line 7].

Claim 20 is not further limiting to the claim 19, the claim upon which it depends.

Regarding **claim 24**, **Josephson** teaches:

- the dominance filtering portion performs a final dominance check on the final reduced set of solutions

This claim is similar and not further limiting than claim 16 and is thus rejected for the same reasons as claim 16.

(10) Response to Argument

1. Appellant argues **Josephson** does not teach or suggest the particular mechanics of a dominance filter, and in particular, there is no mention in **Josephson** of the mechanics of a fast dominance filter recited in at least steps (d)-(f) of Claim 1. In addition, it is noted by Appellant that the Examiner does not provide any citation where **Josephson** teaches the steps (c)-(g) of the claimed invention. [Appeal Brief page 17, 1st full paragraph]. However, Examiner respectfully disagrees.

First, Examiner notes that the Appellant does not claim *fast dominance filter* (emphasis on “fast”) *per se*. Accordingly, this argument is not directed toward the claim language. Examiner notes that the claims should be read in light of the specification which is a quite different thing from ‘reading limitations of the specification into a claim,’ to thereby narrow the scope of the claim by implicitly adding disclosed limitations which have no express basis in the claim (see MPEP 2111 Claim Interpretation).

Second, Examiner maintains that **Josephson** applies his strategy of *dominance filtering* to portfolio allocations (of financial instruments). **Josephson** is directed towards multiple criteria decision making systems [column 1 lines 19-20] and applies his invention to *choosing an investment portfolio* [column 27 lines 43-50]. He discloses an experiment where portfolios were evaluated along four criteria which were filtered using dominance [Id.].

Third, Examiner maintains that **Josephson** does not explicitly disclose steps (c)-(g). Examiner attributed these steps to **Carey**. Specifically, **Carey** teaches:

- c) selecting a first dimension from the at least three dimensions of the portfolio performance space;

- d) generating bins for all remaining non-selected dimensions of the portfolio performance space
- e) determining a solution in each bin of the non-selected dimensions with maximum value along the selected dimension;
- (f) comparing the solution with the maximum value in each bin to other solutions in each bin to determine whether other solutions are dominant solutions or dominated solutions; and
- g) removing the dominated solutions from the portfolio performance space so as to result in a reduced set of solutions, the reduced set of solutions being used in investment decisions.

Carey teaches a strategy of defining an universe of securities for potential investment [column 1 lines 54-60] and uses statistical analysis to evaluate the price history of each [column 2 lines 4-18]. Stocks are sorted and stored according to magnitude of a stocks *one-year price appreciation* [column 2 line 55-63], magnitude of the company's *return-on-assets* [column 3 lines 17- 30], and *price-to-cashflow ratio* [column 3 lines 30-44]. Examiner maintains that *these parameters by which the stocks are sorted* are analogous to Appellant's *at least three dimensions of the portfolio performance space* [Appellant's claim 1 **limitation (c)**]. Examiner also maintains that *using these parameters to sort stocks* includes Appellant's *selecting a first dimension* [Appellant's claim 1 **limitation (c)**].

He further discloses sorting all stocks in descending order of *one-year price appreciation* and writing to File A, descending order of *six-month price appreciation* and writing to File B, descending order of *return-on-assets ratio* and writing to File C, and **ascending** order of *price-to-cash flow ratio* and writing to File D [Figure 1]. Examiner

Art Unit: 3695

maintains that these *Files A, B, C, and D* as analogous to Appellant's *bins of the portfolio performance space* [Appellant's claim 1 **limitation (d)**] whereas the parameters *one-year price appreciation, six-month price appreciation, return-on-assets ratio, and price-to-cash flow ratio* as analogous to Appellant's *dimensions*. Examiner maintains that *maximum values* - extreme values - are inherent when sorting stocks in ascending or descending orders of magnitude [Appellant's **limitation (e)**].

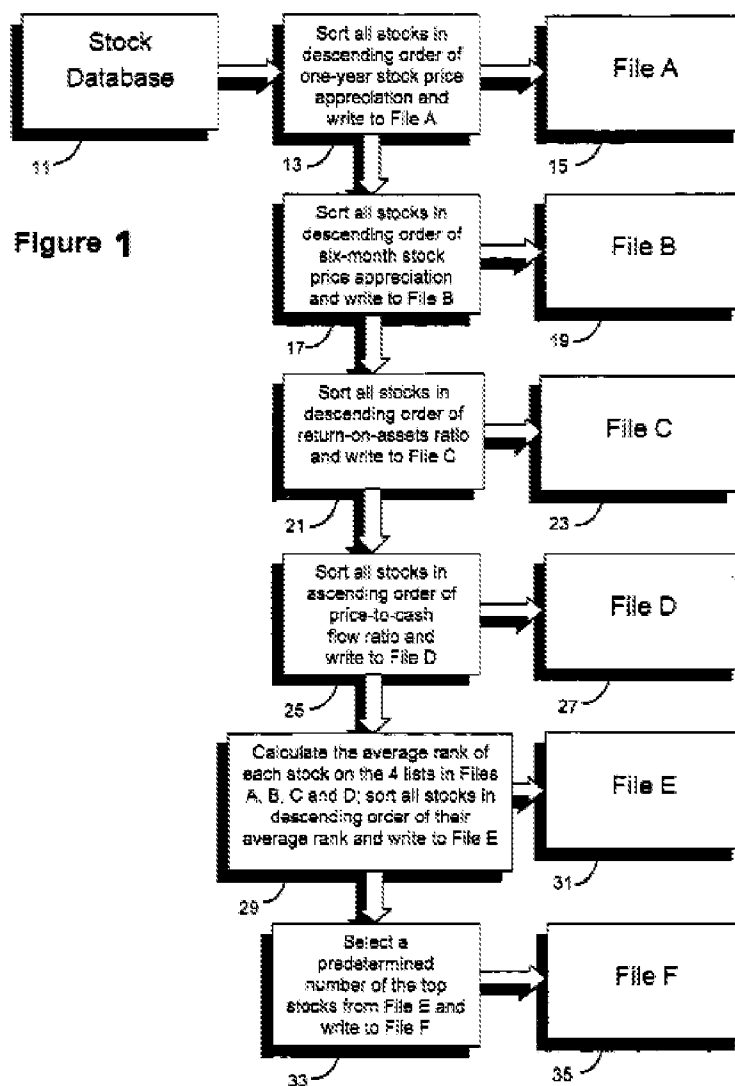


Figure 1 (Carey)

Carey then sorts and organizes stocks according to the magnitude of each company's average ranking in each of these categories. He discloses:

After File D has been completed, the step indicated by diagram block 29 is performed in which the stocks are sorted, or organized, according to the magnitude of the company's average rank on the four lists in Files A, B, C, and D. (For example, a stock that happened to be ranked first in Files A and B, i.e., happened to have the greatest one-year and six-month PAVs, and was ranked second in Files C and D, i.e., had the second highest return-on-assets ratio and the second lowest price-to-cashflow ratio, would have an average rank of $(1+1+2+2)/4$ or 1.5.) The sorting may be done by organizing the stocks in descending order of their average rank. (A stock with an average rank of 1.5 would be listed ahead of a stock with an average rank of 2.0, etc.) The sorted stock names are written to File E, as shown in diagram block 31 [column 3 lines 45-59].

Examiner maintains that *sorted stocks which are written to File E* as analogous to Appellant's *set of solutions*, and that, herein, **Carey's sorting and organizing stocks according to the magnitude of the company's average rank** is indicative of Appellant's *comparing ranks of stocks among files A, B, C, and D* [Appellant's claim 1 **limitations (e) and (f)**].

Carey further discloses in his claim 1:

A computer-implemented method for selecting securities from a group of available securities for an investment portfolio, comprising:

- said computer performing the steps of calculating price appreciation for each of said available securities;
- calculating a return on assets ratio for each of said available securities;
- calculating a price to cashflow ratio for each of said available securities;
- ranking at least some of the available securities to form a group of ranked securities, said ranking comprising ranking according to said price appreciation to assign each of said available securities one or more separate price appreciation

ranks, ranking according to said return on assets ratio to assign each of said available securities a separate return on assets ratio rank, ranking according to said price to cashflow ratio to assign each of said available securities a separate price to cashflow rank, and determining for each of said available securities an average rank comprising the average of the one or more separate price appreciation ranks, separate return on assets ratio rank and separate price to cashflow ratio rank for said security; and

- selecting at least some of the ranked securities to form a group of selected securities; wherein at least one of the steps of calculating, ranking, and selecting is carried out by a computer.

Examiner maintains that the limitation of “selecting at least some of the ranked securities to form a group of selected securities” as claimed herein by **Carey** is analogous to Appellant’s *removing the dominated solutions from the portfolio performance space so as to result in a reduced set of solutions* [Appellant’s claim 1 **limitation (g)**].

Further, **Josephson** discloses “Types of decision activities that a user performs using the Viewer include: 1) discarding bad alternatives in some scatterplot; 2) selecting good alternatives in some scatterplot; and 3) looking for regions in a scatterplot where, for a relatively small decrease in performance in one dimension, a disproportionately large increase is available in the other dimension” [column 6 lines 47-51]. Examiner maintains that *discarding bad alternatives* is further indicative of Appellant’s *removing the dominated solutions from the portfolio performance space* [Appellant’s claim 1 **limitation (g)**].

2. Appellant argues **Carey** is directed to a method for selecting securities for a portfolio and adds nothing to overcome these shortcomings in **Josephson** [Appeal Brief page 17, 2nd full paragraph]. However, Examiner respectfully disagrees.

Nonobviousness cannot be established by attacking the references individually, when the rejection is predicated upon a combination of prior art disclosures. See *In re Merck & Co.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986). The applicant has attacked the references individually, when rejection was made using a combination of **Josephson** and **Carey**.

The claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. Additionally, it is noted that KSR forecloses the argument that a specific teaching, suggestion, or motivation is required to support a finding of obviousness. Under KSR, a claim would have been obvious if the claimed elements were known in the prior art and one skilled in the art could have combined the elements as claimed and known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations would have been predictable to one of ordinary skill in the art.

Carey is directed towards a security selection investment strategy and, in turn, a method of selecting securities to outperform a typical index [column 1, lines 49-57].

Josephson is directed towards multiple criteria decision making systems [column 1 lines 19-20] and identifying good candidates among those that are generated by providing multi-criterial filters, and by providing a user interface especially suited to comparing alternatives, making trade-off decisions, and narrowing the choice set [column 2 lines 53-58].

Josephson uses a strategy of *dominance filtering* as applied to hybrid electric vehicle design (HEV), a domain of architecture of his invention [column 4 lines 51-67]. Design candidates are screened using four criteria [column 4 lines 54-60]. In particular, he uses trade-offs between city and highway efficiencies in miles per gallon [column 5 lines 18-33], and acceleration capacity [column 5 lines 34-48]. Examiner maintains that these categories (*efficiencies and acceleration capacity*) are analogous to Appellant's *set of solutions*. Examiner notes that although this example in **Josephson** is not applied to *portfolio performance*, **Josephson** discloses applying his invention to *choosing an investment portfolio* [column 27 lines 43-50]. He discloses an experiment where portfolios were evaluated along four criteria which were filtered using dominance [Id.]. Accordingly, **Josephson's** strategy of *dominance filtering* may be applied to **Carey's** method of *security selection* because it makes it practical to select "interesting candidates" from a large (and extensible) set of discrete alternatives [**Josephson** column 28 lines 9-22].

3. Appellant argues that there is no mention in the applied art of at least the feature of a dominance filtering as claimed in claim 19 [Appeal Brief page 17, 4th full paragraph – page 18, top of page]. Examiner respectfully disagrees as discussed above.

4. Appellant only argues the allowability of claims 2, 6, 7, 11-13 and 16-18 as being dependent on claim 1 [Appeal Brief page 17, 3rd full paragraph] and claims 20 and 22-24 as being dependent on claim 19 [Appeal Brief page 18 1st full paragraph]. Accordingly, Examiner maintains rejections.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section **(9)** above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte* **dismissal of the appeal** as to the claims subject to the new ground of rejection:

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent

Art Unit: 3695

applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

/Ed Baird/
Examiner, Art Unit 3695

A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (9) above by signing below:

/Wynn W. Coggins/

Director, TC 3600

Conferees:

/Charles R. Kyle/
Supervisory Patent Examiner, Art Unit 3695

Vincent Millin /vm/

Appeals Conference Specialist

Application/Control Number: 10/781,804
Art Unit: 3695

Page 23